

## Governmental Research Assn

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 NASBO


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### State Fiscal Overview

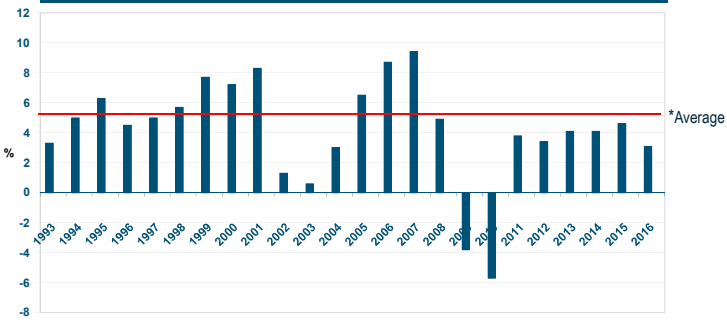
- 5<sup>th</sup> consecutive year of **growth**
- Continued **slow growth** (3%)
- States **vary** in fiscal health: oil, financial management issues
- **Tough** prioritizing and finishing budgets
- Serious **challenges** – although some reports extreme (Greece, Puerto Rico)
- Problems are **manageable**/money is tight

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### Slow Budget Growth Continues

General Fund Expenditure Growth (%)

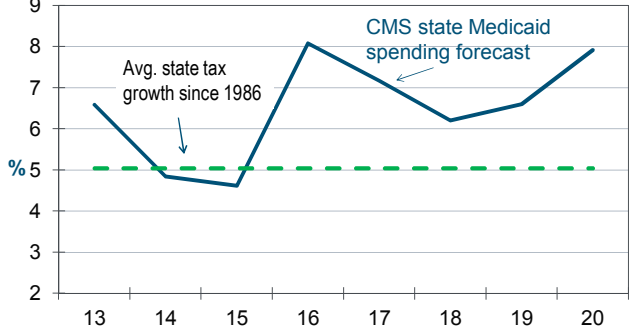


\*38-year historical average annual rate of growth is 5.5 percent  
 Source: NASBO Spring 2015 Fiscal Survey of States  
 \*Fiscal 2015 numbers are estimated; fiscal 2016 are recommended

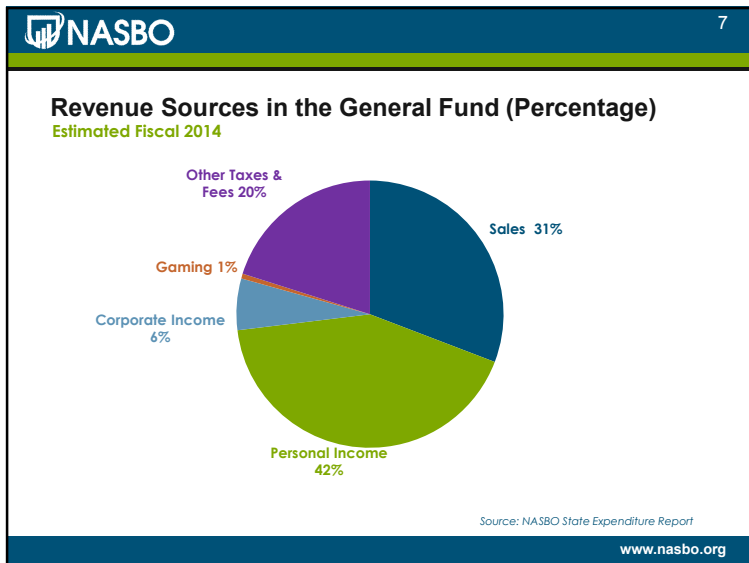
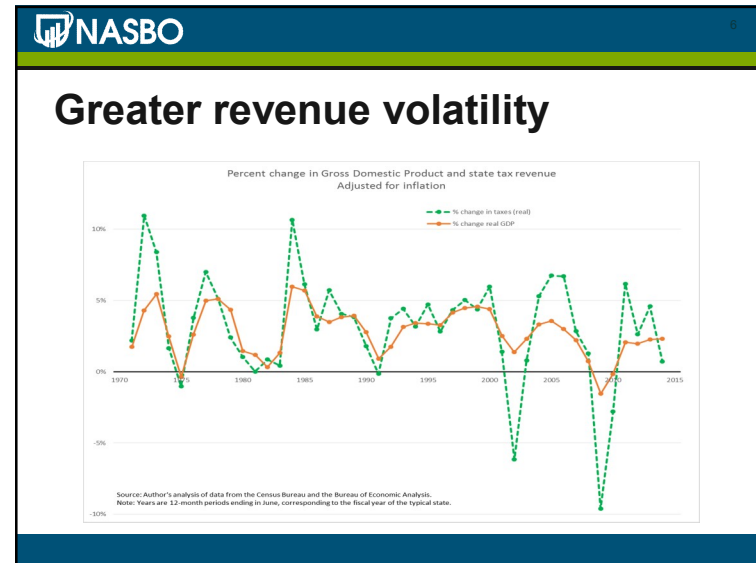
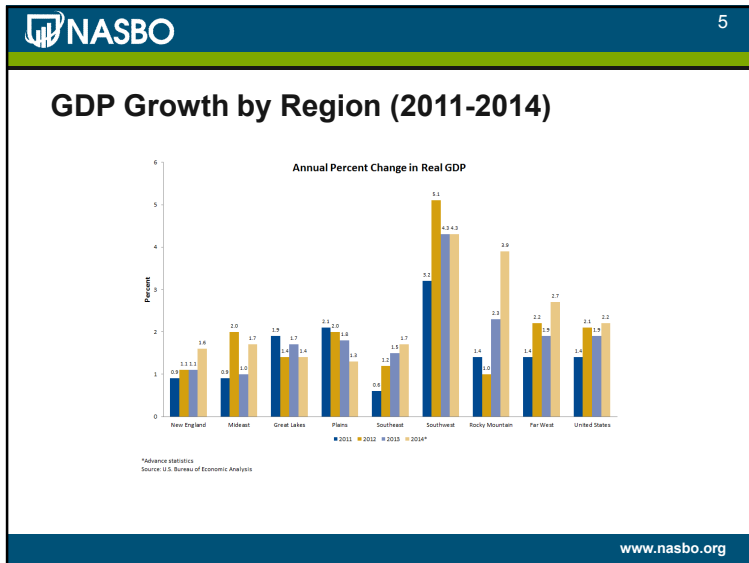
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### Structural Imbalance



Sources: Moody's Analytics, CMS, Census Bureau




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- 30 states have some type of limitation  
*No two exactly alike*
  - 23 states have spending limits  
*Work arounds*
  - 4 have tax limits
  - 3 states have both  
*plus, Supermajorities*
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**Limits, but not TELs**

- Tax cuts (Kansas, North Carolina)
- De Facto Spending limitations (New York)
- Other limitations (California)
- Tight resources (Connecticut)

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- 1970s, then 1990s
- Formulas Vary
  
- Outlook
  - Spending (Indiana)
  - Tax cuts
  - Revenue limits (Tennessee)

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